

DEPARTMENT OF INDUSTRIAL RELATIONS

DIVISION OF LABOR STANDARDS ENFORCEMENT

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1987.01.07



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ADDRESS REPLY TO:

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IN REPLY REFER TO:

January 7, 1987

Mr. R. M. Davidson
Director of Personnel
The Harper Group
260 Townsend Street
San Francisco, CA 94107

Dear Mr. Davidson:

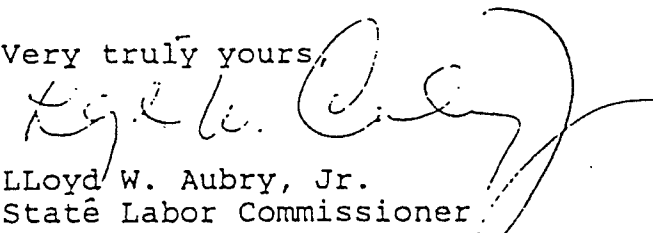
This is in reply to your letter of December 30, 1986, regarding the establishment of an automatic electronic payroll deposit system.

Section 213 of the Labor Code permits an employer to automatically deposit wages in an account in any bank, savings and loan association or credit union of the employee's choice provided the employee has voluntarily authorized such a deposit. (Enclosed is a pamphlet containing excerpts from the California Labor Code on laws relating to payment of wages.)

To answer your specific question, you can implement the system; however, employees must agree to this method of payment. If you have a group of employees who do not voluntarily wish to participate in the electronic check deposit system, you would be required to pay this group in accordance with Section 212 of the Labor Code.

I hope this is response to your question. If not, please let me know.

Very truly yours,


Lloyd W. Aubry, Jr.
State Labor Commissioner

LWA:ba

Enc.